

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001**

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**CLASSIFICATION AND FEES  
FOR CONFIRM®**

**Docket No. MC2002-1**

**STATEMENT OF AMERICAN POSTAL WORKERS UNION, AFL-CIO  
CONCERNING SETTLEMENT  
(July 9, 2002)**

The American Postal Workers Union, AFL-CIO ("APWU") supports the CONFIRM Settlement and urges the Commission to recommend the Settlement. While the APWU supports the proposed pricing of CONFIRM, the APWU has some concerns about the methods used by the Postal Service to determine those rates.

The Postal Services' use of "cost causality" in this case to exclude certain costs related to providing the CONFIRM service from the costs that CONFIRM must cover concerns the APWU. For example, CONFIRM is not charged for using existing IT networks or for periodic upgrades to networks and mail processing equipment because CONFIRM did not "cause" the networks or upgrades - even though CONFIRM is dependent on the networks and upgrades. In the current setting CONFIRM data traffic on existing networks is not burdensome. Growth in traffic over the networks - from whatever source - could change that. When CONFIRM is established, the Postal Service cannot end it or let it degrade should the network be stressed by CONFIRM and other postal projects. As CONFIRM continues, the requirement to accommodate it suggests the advisability of reevaluating CONFIRM's contribution toward the networks and upgrades that support it.

The APWU agrees with the Postal Service that it is important for CONFIRM to make an appropriate contribution to institutional costs. The Settlement proposes a contribution rate similar to First Class Mail, which is appropriate for the initial pricing of this product. If in future cases the networks and upgrades are not considered costs of CONFIRM, then CONFIRM should pay a higher percentage contribution to institutional costs for its dependence on the networks.

Respectfully submitted,

A handwritten signature in cursive script, reading "Susan L. Catler". To the right of the signature is a small circular stamp containing the initials "SCS".

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Counsel for American Postal Workers Union, AFL-CIO

**CERTIFICATION**

I hereby certify that I have this date served the foregoing document in  
accordance with the rules of practice

A handwritten signature in cursive script, reading "Susan L. Catler". To the right of the signature is a small circular stamp containing the initials "SCS".

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